

2013 Local Government Finance Report

Supplement

The S.C. Revenue and Fiscal Affairs Office prepares the Local Government Finance Report, which measures growth in revenues and spending by school districts, counties, and municipalities in South Carolina. Revenues and expenditures are submitted by counties and municipalities as set forth in S.C. Code of Laws § 6-1-50. Financial data on school districts is provided by the S.C. Department of Education.

This supplement provides a general analysis of changes in local government revenues and expenditures for the past five and ten-year periods as reported by the local governments. The report also includes estimates of property taxes paid within each general classification of property. Prior years have been updated to reflect corrections and new data.

This supplemental report shares the same data exclusions, including some major revenue and expenditure data, as discussed in the Local Government Finance Report. The supplemental analysis excludes revenue and expenditures of special purpose districts that provide fire protection and water and sewer services. Revenue and expenditure data from county and municipal water, sewer, and power utilities is not included in the total revenues or expenditures detailed in the supplemental analysis below.

Please note that the Local Government Finance Report is NOT a complete summary of an entity's audited financial statement. The data contained in this document attempts to report revenue collections and expenditures for specific categories over time as it relates major activities. It does not attempt to summarize the overall financial health of an entity as other revenue and expenditure data not relevant to this report has been excluded. Any questions regarding this detail should be directed to this Office at (803) 734-3783.

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<http://rfa.sc.gov/econ/localgovt>

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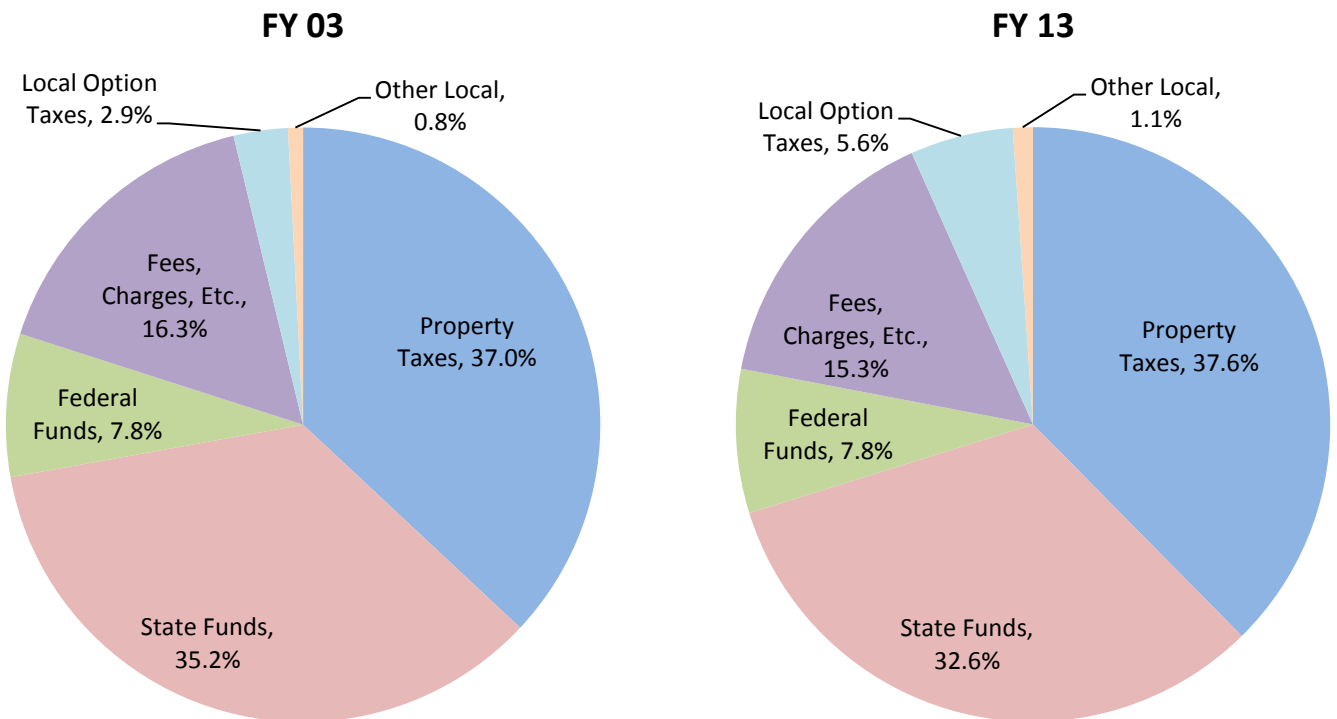
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SECTION 1: SOURCES OF REVENUES

A. Local Government Revenues

Shifts in the revenue sources upon which local governments (school districts, counties, and municipalities) relied on over the ten-year period from FY 2003 to FY 2013 are reported below. The following charts depict the percentage of total revenues from each major source of local government revenue in FY 2003 and FY 2013 as reported by local entities. Bonds and leases were not captured on the county and municipal level prior to FY 2012, and have been removed from total revenues in this supplemental report for consistency purposes.

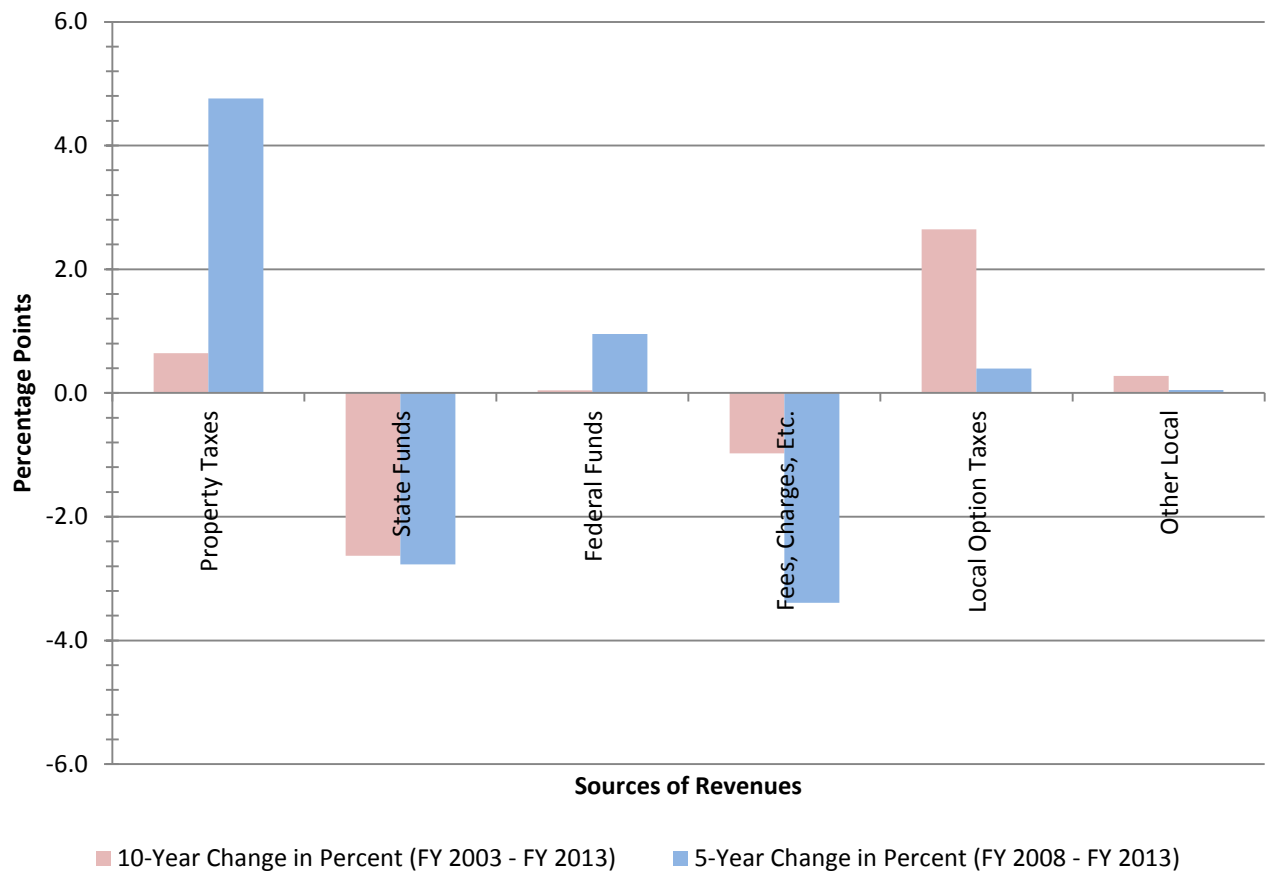
Sources of Revenues for Local Governments
Percentage of Total Revenues



The revenue share from state funds declined 2.6 percentage points from 35.2% in FY 2003 to 32.6% in FY 2013. However, local option sales taxes helped fill the negative gap in state revenue funds. From FY 2003 to FY 2013 local option sales taxes increased by 2.7 percentage points. Federal Funds remained steady at 7.8 percent in the ten-year period.

The following chart depicts the shift in the percentage of revenue derived from each major revenue source from FY 2003 to FY 2013 and from FY 2008 to FY 2013. The chart shows how the distribution of the funds among the revenue categories has changed over the ten-year and five-year periods. The total changes for all categories will sum to zero.

Sources of Revenues for Local Governments
Change in the Distribution of Funding
FY 2003 to FY 2013 and FY 2008 to FY 2013



The table below depicts the percent change and dollar change of each major local government revenue source for the five-year period from FY 2008 to FY 2013 and the ten-year period from FY 2003 to FY 2013. For consistency purposes, bonds and leases have been removed from total revenues.

Sources of Revenues for Local Governments
Percent Change and Dollar Change
FY 2008 to 2013 and FY 2003 to 2013

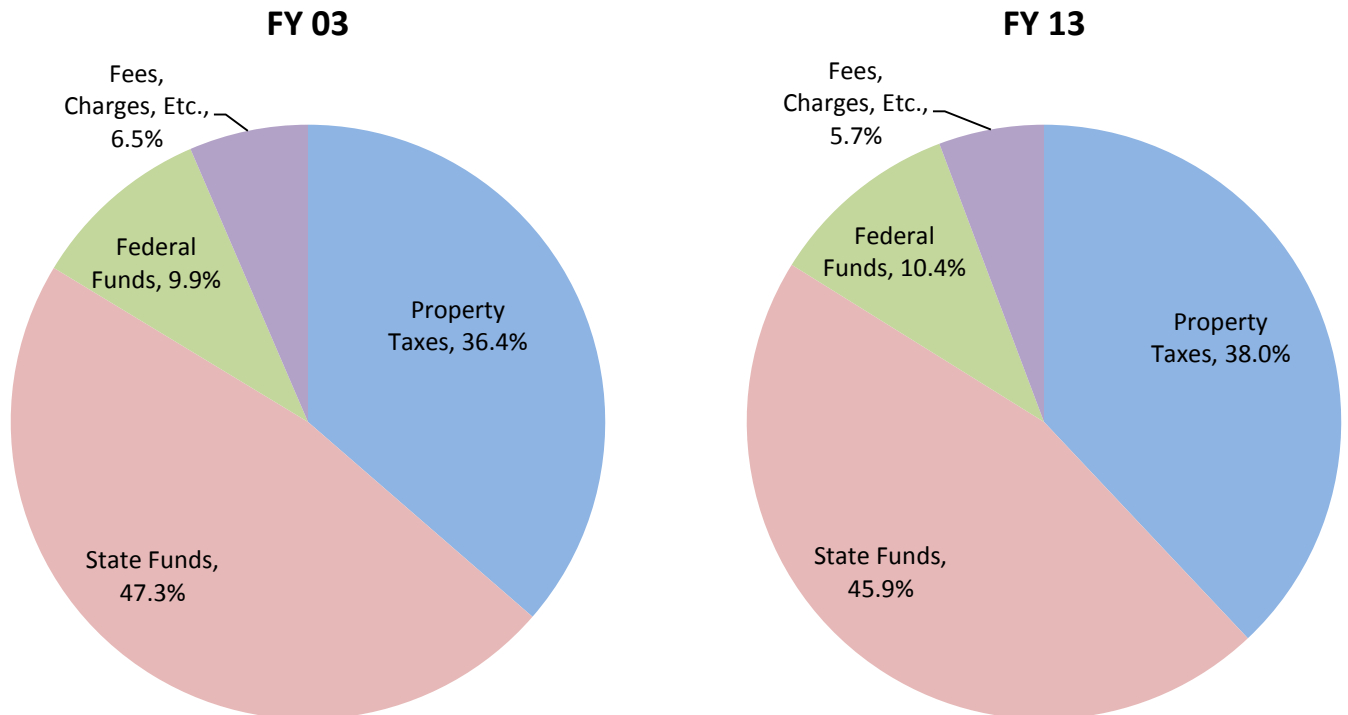
Source of Revenue	Percent Change	Dollar Change	Percent Change	Dollar Change
	FY 2008 to FY 2013	FY 2008 to FY 2013	FY 2003 to FY 2013	FY 2003 to FY 2013
Property Taxes	20.4%	\$844,276,747	52.2%	\$1,706,980,753
State Funds	(3.1%)	(\$136,040,945)	38.5%	\$1,197,066,784
Federal Funds	19.8%	\$170,883,186	50.4%	\$346,816,556
Fees, Charges, etc.	(13.9%)	(\$326,769,607)	40.7%	\$585,666,828
Local Option Taxes	13.2%	\$86,448,571	184.0%	\$479,562,088
Other Local	10.3%	\$13,500,284	100.5%	\$72,291,761
Total Revenues	5.2%	\$652,298,236	49.7%	\$4,388,384,770

The revenue from fees, charges, etc. declined in the five-year period from FY 2008 to FY 2013. This decline is partially attributable to a difference in reporting beginning in FY 2012. Previously, some counties and municipalities reported bonds and leases in miscellaneous revenue, which is included in the fees, charges, etc. category. In FY 2012, forms were revised to include separate lines for bonds and leases. The growth in revenue from State Funds was less than growth in the other major revenue sources for the five-year and ten-year periods. For consistency purposes, bonds and leases are not included in total revenues in this table.

B. School District Revenues

The following chart depicts the percentage of total revenues from each major source of revenue for school districts in FY 2003 and FY 2013. For consistency purposes, bonds and leases have been removed from total revenues.

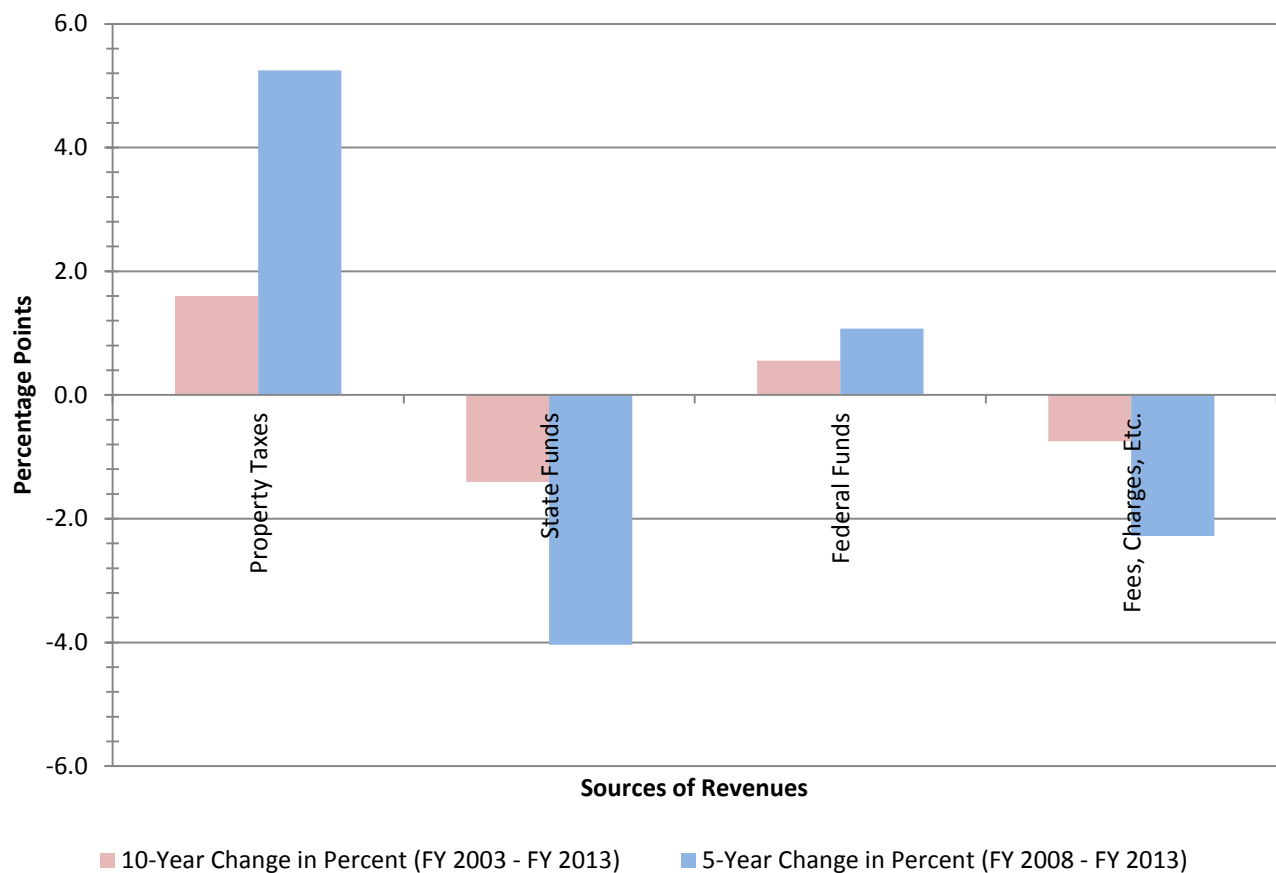
Sources of Revenues for School Districts
Percentage of Total Revenues



State funds, the largest share of revenue in FY 2003 and FY 2013, declined in the ten- year period. The revenue share from state funds declined 1.4 percentage points from 47.3% in FY 2003 to 45.9% in FY 2013. Property taxes helped fill the negative gap in state revenue funds. Its share increased 1.6 percentage points from FY 2003 to FY 2013.

The following chart depicts the shift in the percentage of revenue derived from each major revenue source from FY 2003 to FY 2013 and from FY 2008 to FY 2013. The chart shows how the distribution of the funds among the revenue categories has changed over the ten-year and five-year periods. The total changes for all categories will sum to zero.

**Sources of Revenues for School Districts
Change in the Distribution of Funding
FY 2003 to FY 2013 and FY 2008 to FY 2013**



The table below depicts the percent change and dollar change of each major revenue source for school districts over the five-year period from FY 2008 to FY 2013 and the ten-year period from FY 2003 to FY 2013. For consistency purposes, bonds and leases have been removed from total revenues.

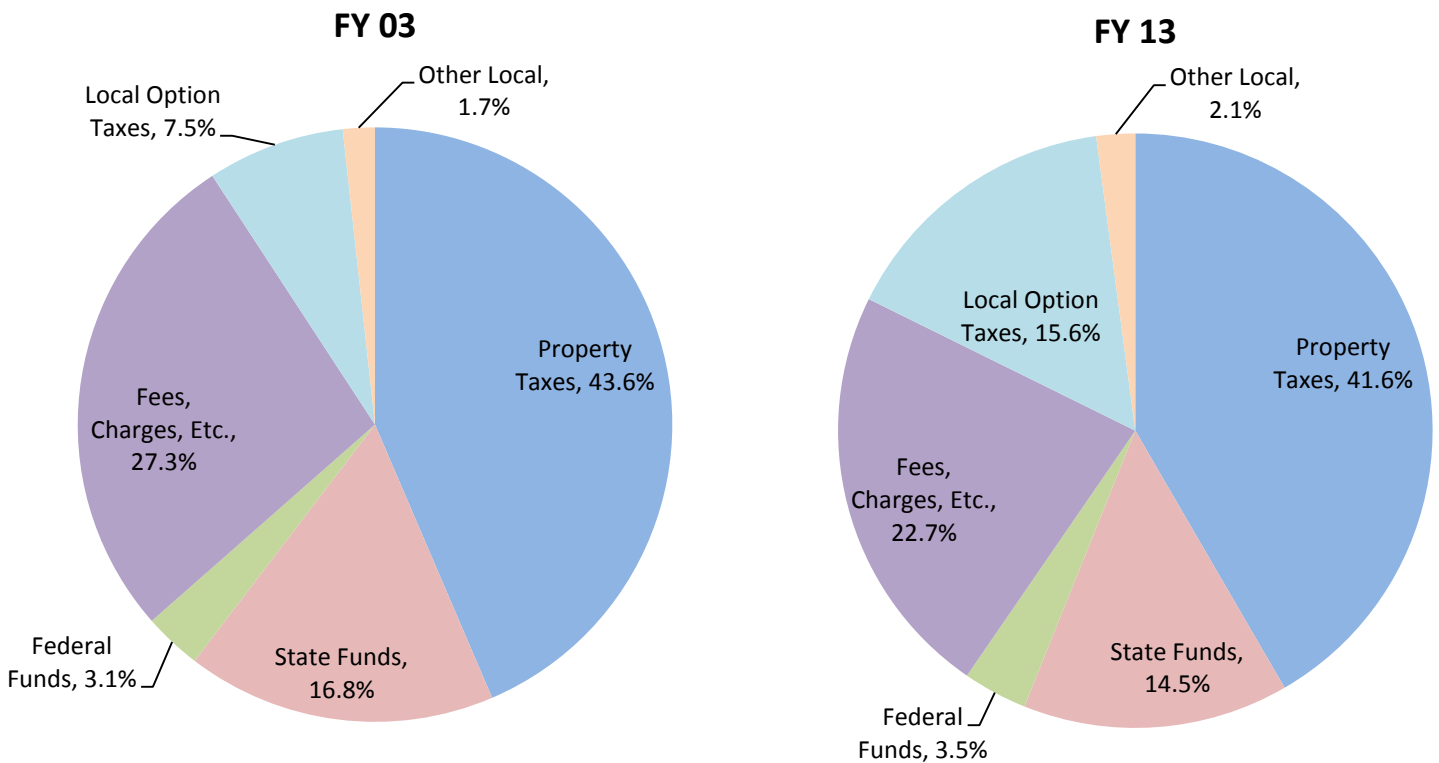
Sources of Revenues for School Districts
Percent Change and Dollar Change
FY 2008 to 2013 and FY 2003 to 2013

Source of Revenue	Percent Change	Dollar Change	Percent Change	Dollar Change
	FY 2008 to FY 2013	FY 2008 to FY 2013	FY 2003 to FY 2013	FY 2003 to FY 2013
Property Taxes	22.8%	\$572,147,373	50.6%	\$1,034,633,536
State Funds	(2.7%)	(\$103,206,348)	40.0%	\$1,062,907,228
Federal Funds	18.1%	\$129,066,141	52.4%	\$290,057,199
Fees, Charges, etc.	(24.3%)	(\$148,930,373)	27.6%	\$100,492,985
Total Revenues	5.9%	\$449,076,793	44.3%	\$2,488,090,948

C. County Revenues

The following chart depicts the percentage of total revenues accounted for by each major source of revenue for counties in FY 2003 and FY 2013. Bonds and leases were not captured on the county and municipal level prior to FY 2012, and have been removed from total revenues in this supplemental report for consistency purposes.

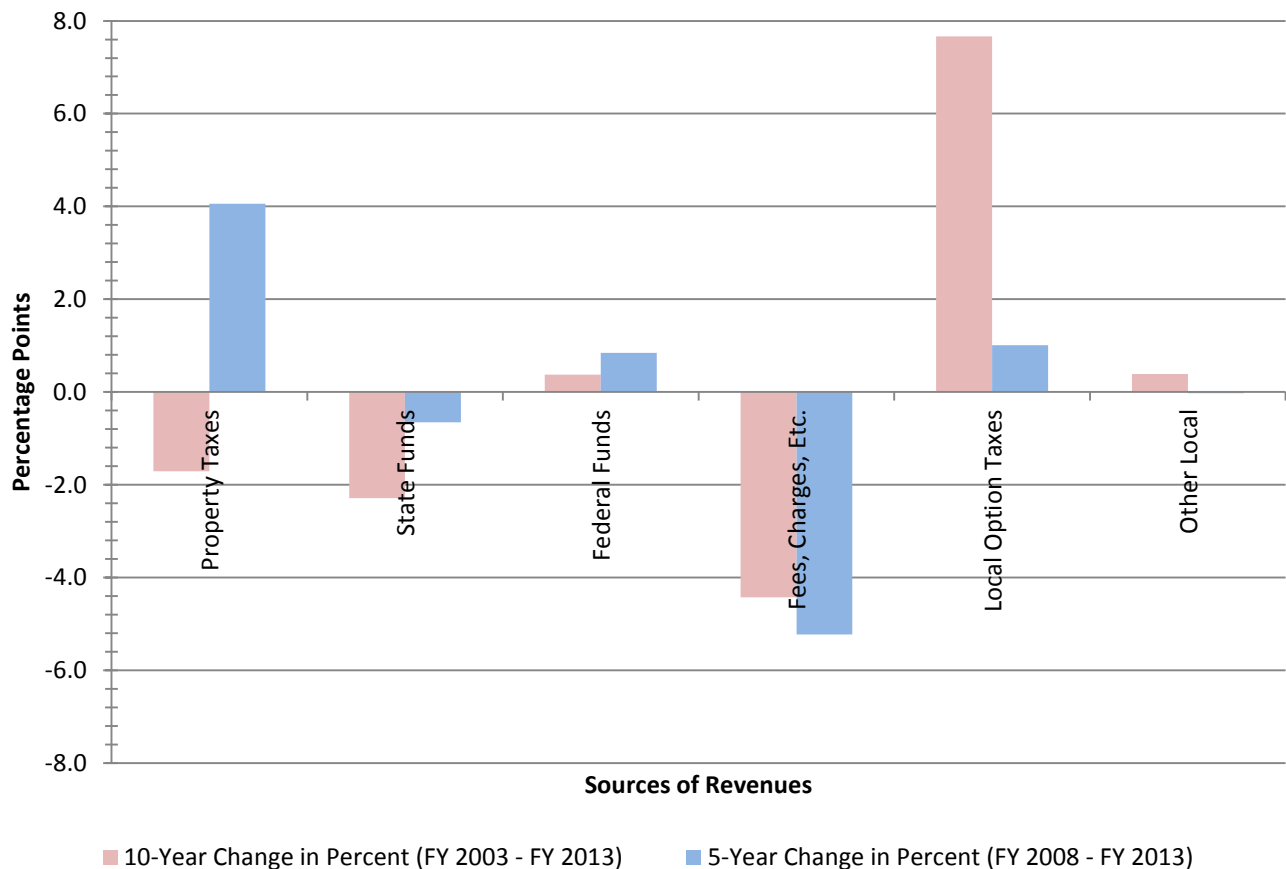
**Sources of Revenues for Counties
Percentage of Total Revenues**



Property tax revenues, the largest revenue contributor for counties, declined 2.0 percentage points from FY 2003 to FY 2013. Two large contributors to the revenue base for counties, state funds and fees and charges, also decreased significantly by a combined 6.9 percentage points from FY 2003 to FY 2013. Counties turned to local option taxes to fill in the negative revenue gaps from their major revenue sources. The percent of revenue from local option taxes increased 8.1 percentage points from FY 2003 to FY 2013.

The following chart depicts the shift in the percentage of revenue derived from each major revenue source from FY 2003 to FY 2013 and from FY 2008 to FY 2013. The chart shows how the distribution of the funds among the revenue categories has changed over the ten-year and five-year periods. The total changes for all categories will sum to zero.

Sources of Revenues for Counties
Change in the Distribution of Funding
FY 2003 to FY 2013 and FY 2008 to FY 2013



The table below depicts the percent change and dollar change of each major revenue source for counties for the five-year period from FY 2008 to FY 2013 and the ten-year period from FY 2003 to FY 2013. For consistency purposes, bonds and leases have been removed from total revenues.

**Sources of Revenues for Counties
Percent Change and Dollar Change
FY 2008 to 2013 and FY 2003 to 2013**

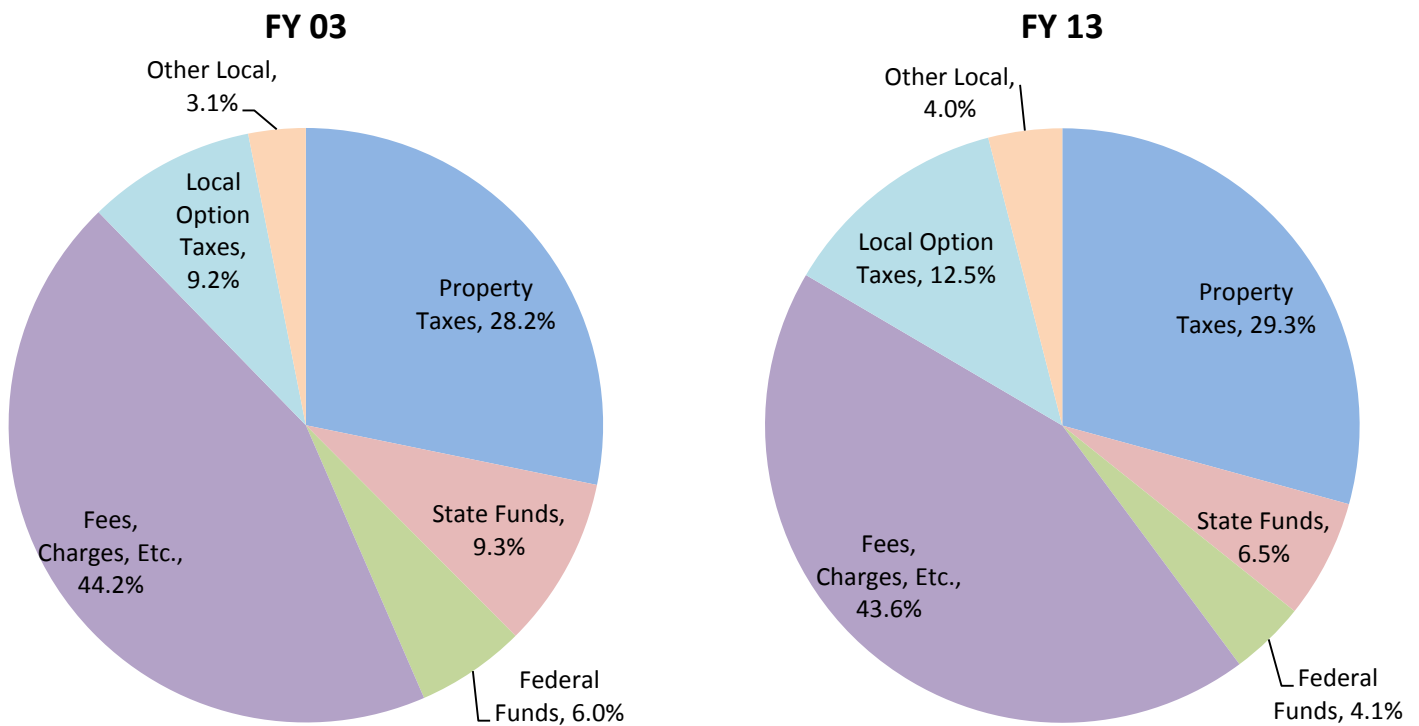
Source of Revenue	Percent Change	Dollar Change	Percent Change	Dollar Change
	FY 2008 to FY 2013	FY 2008 to FY 2013	FY 2003 to FY 2013	FY 2003 to FY 2013
Property Taxes	13.6%	\$160,388,042	49.7%	\$444,394,990
State Funds	(1.8%)	(\$8,670,299)	34.6%	\$119,617,377
Federal Funds	35.1%	\$29,215,822	74.4%	\$47,993,903
Fees, Charges, etc.	(16.5%)	(\$144,619,771)	30.5%	\$170,731,803
Local Option Taxes	9.9%	\$43,739,984	215.5%	\$331,027,654
Other Local	1.2%	\$834,343	90.5%	\$32,216,770
Total Revenues	2.6%	\$80,888,121	55.8%	\$1,145,982,497

The revenue from fees, charges, etc. declined in the five-year period from FY 2008 to FY 2013. This decline is partially attributable to a difference in reporting beginning in FY 2012. Previously, some counties reported bonds and leases in miscellaneous revenue, which is included in the fees, charges, etc. category. In FY 2012, forms were revised to include separate lines for bonds and leases. For consistency purposes, bonds and leases are not included in total revenues in this table.

D. Municipal Revenues

The following chart depicts the percentage of total revenues accounted for by each major source of revenue for municipalities in FY 2003 and FY 2013. Bonds and leases were not captured on the county and municipal level prior to FY 2012, and have been removed from total revenues in this supplemental report for consistency purposes.

**Sources of Revenues for Municipalities
Percentage of Total Revenues**

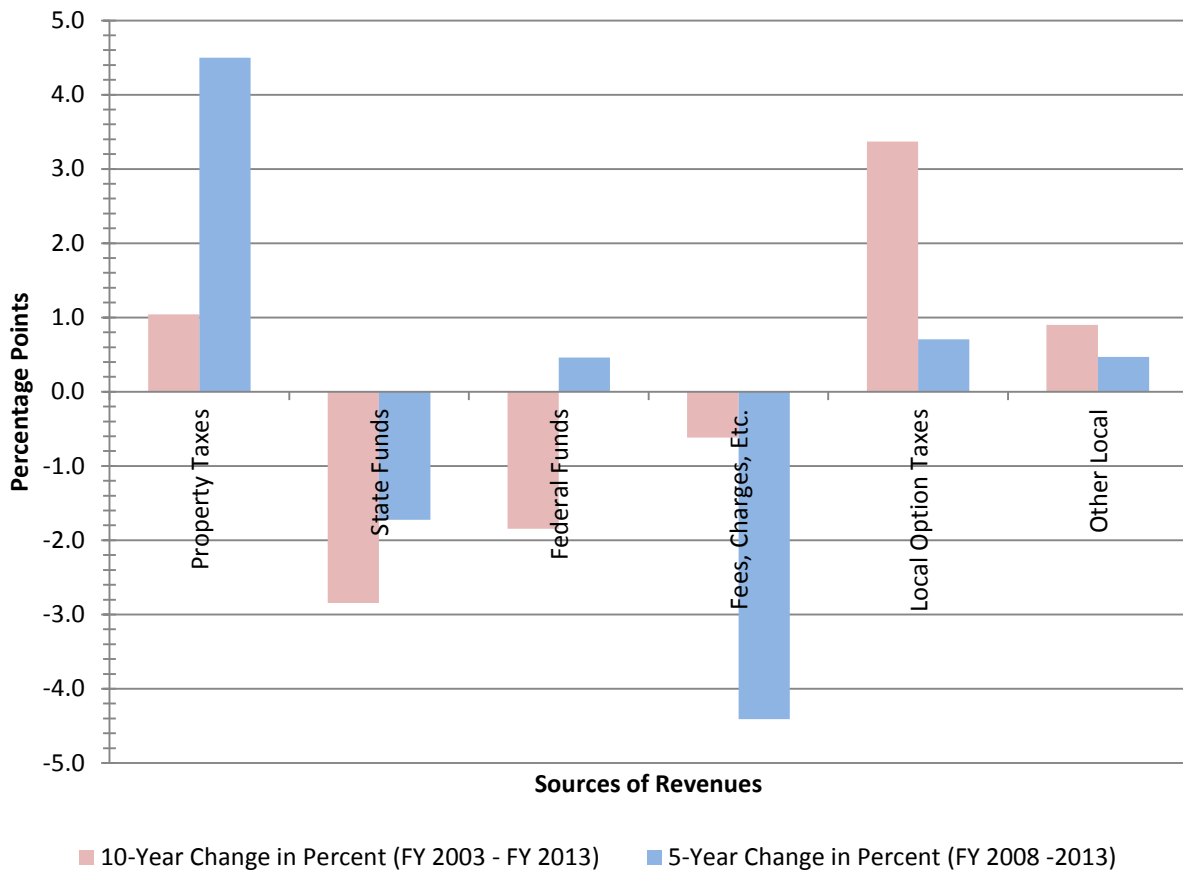


Fees and charges, nearly half of total municipal revenue sources, decreased 0.6 percentage points from FY 2003 to FY 2013. Municipalities became more reliant on local option taxes. The percent of revenues from local option taxes increased 3.3 percentage points from FY 2003 to FY 2013. Property tax revenues, another large revenue source, also increased by 1.1 percentage points in the ten-year period.

*Municipalities included above may vary by year.

The following chart depicts the shift in the percentage of revenue derived from each major revenue source from FY 2003 to FY 2013 and from FY 2008 to FY 2013. The chart shows how the distribution of the funds among the revenue categories has changed over the ten-year and five-year periods. The total changes for all categories will sum to zero.

Sources of Revenues for Municipalities
Change in the Distribution of Funding
FY 2003 to FY 2013 and FY 2008 to FY 2013



*Municipalities included above may vary by year.

The table below depicts the percent change and dollar change of each major revenue source for municipalities for the five-year period from FY 2008 to FY 2013 and the ten-year period from FY 2003 to FY 2013. For consistency purposes, bonds and leases have been removed from total revenues.

Sources of Revenues for Municipalities
Percent Change and Dollar Change
FY 2008 to 2013 and FY 2003 to 2013

Source of Revenue	Percent Change	Dollar Change	Percent Change	Dollar Change
	FY 2008 to FY 2013	FY 2008 to FY 2013	FY 2003 to FY 2013	FY 2003 to FY 2013
Property Taxes	25.1%	\$111,741,332	69.3%	\$227,952,227
State Funds	(16.4%)	(\$24,164,299)	13.4%	\$14,542,178
Federal Funds	19.2%	\$12,601,223	12.6%	\$8,765,454
Fees, Charges, etc.	(3.8%)	(\$33,219,462)	61.0%	\$314,442,040
Local Option Taxes	12.2%	\$25,922,892	123.2%	\$131,748,739
Other Local	19.9%	\$12,665,941	110.4%	\$40,074,991
Total Revenues	5.9%	\$105,547,628	63.2%	\$737,525,629

The revenue from fees, charges, etc. declined in the five-year period from FY 2008 to FY 2013. This decline is partially attributable to a difference in reporting beginning in FY 2012. Previously, some municipalities reported bonds and leases in miscellaneous revenue, which is included in the fees, charges, etc. category. In FY 2012, forms were revised to include separate lines for bonds and leases. For consistency purposes, bonds and leases are not included in total revenues in this table.

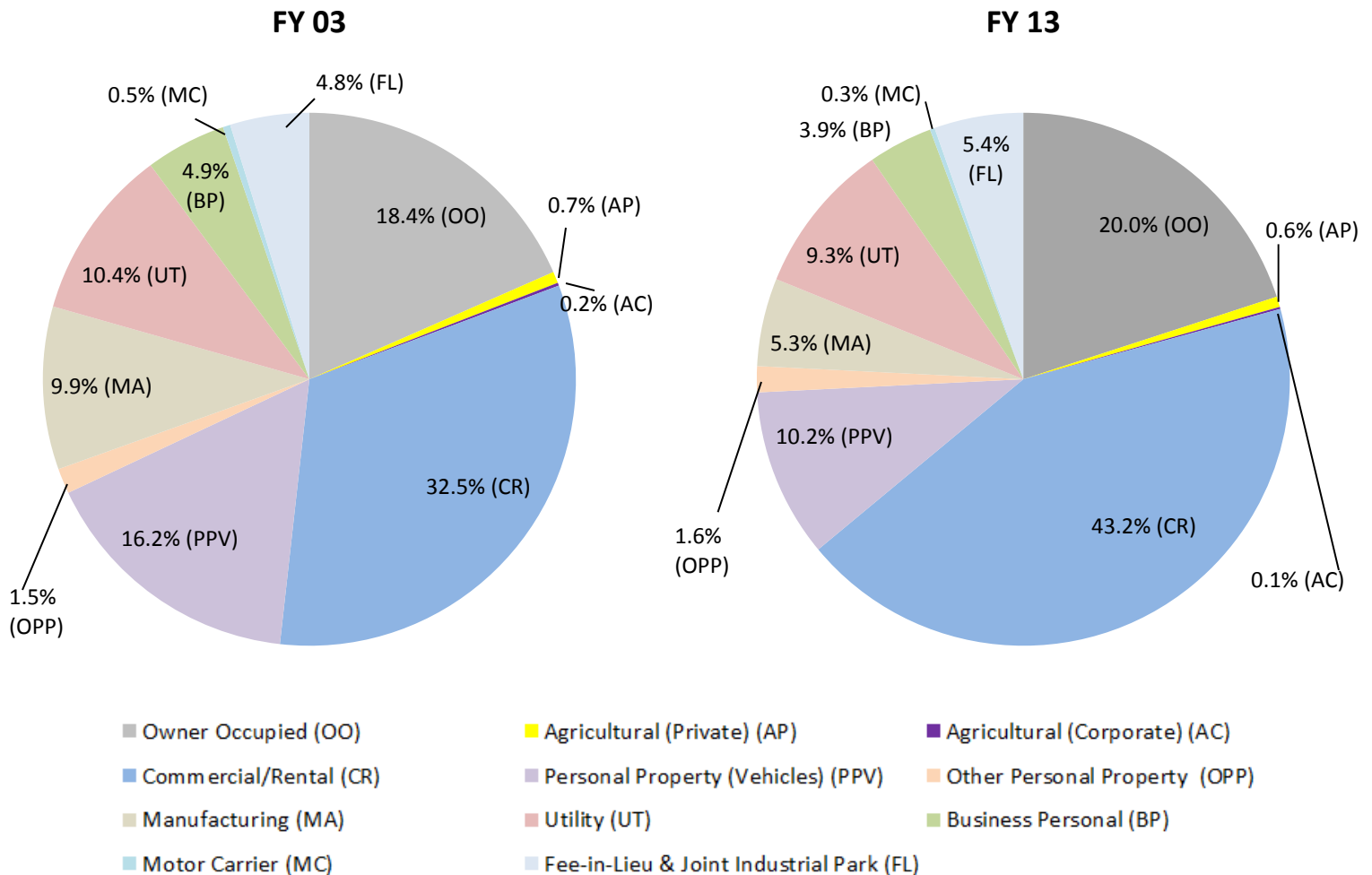
*Municipalities included above may vary by year.

SECTION 2: SOURCES OF PROPERTY TAX REVENUES

A. Local Government Property Tax Revenues

As noted on page 1, property taxes made up 37.6% of total reported revenues and were the largest source of revenue for local governments in FY 2013. The property in the categories listed below is assessed at different rates. The following chart depicts the percentage of total property tax revenues accounted for by each major source of property tax revenue in FY 2003 and FY 2013.

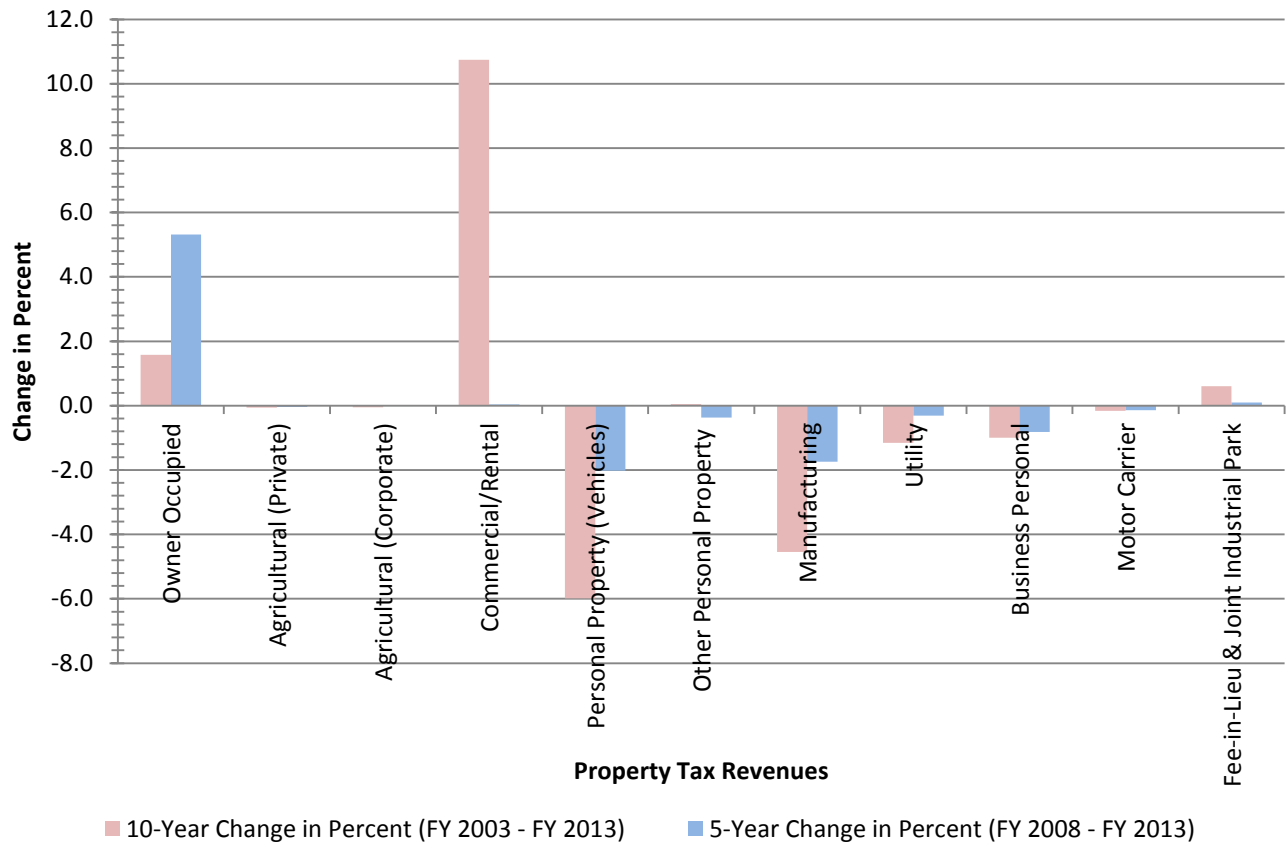
Sources of Property Tax Revenues for Local Governments



Commercial and rental property tax revenues experienced a significant increase from FY 2003 to FY 2013. Its share increased 10.7 percentage points from 32.5% in FY 2003 to 43.2% in FY 2013, nearly half of total property tax revenues. Also, due to a phase-down in the property tax assessment rate for personal vehicles, vehicle property tax decreased 6.0 percentage points in its share of total property tax revenues from FY 2003 to FY 2013. Manufacturing property tax revenues also declined in the ten-year period. From FY 2003 to FY 2013, its share dropped by 4.6 percentage points from 9.9% in FY 2003 to 5.3% in FY 2013.

The following chart depicts the shift in the percentage of revenue derived from each major revenue source from FY 2003 to FY 2013 and from FY 2008 to FY 2013. The chart shows how the distribution of the funds among the revenue categories has changed over the ten-year and five-year periods. The total changes for all categories will sum to zero.

Sources of Property Tax Revenues
Change in the Distribution of Funding
FY 2003 to FY 2013 and FY 2008 to FY 2013



The table below depicts the percent change and dollar change of each property tax revenue source for the five-year period from FY 2008 to FY 2013 and the ten-year period from FY 2003 to FY 2013.

**Sources of Property Tax Revenues
Percent Change and Dollar Change
FY 2008 to 2013 and FY 2003 to 2013**

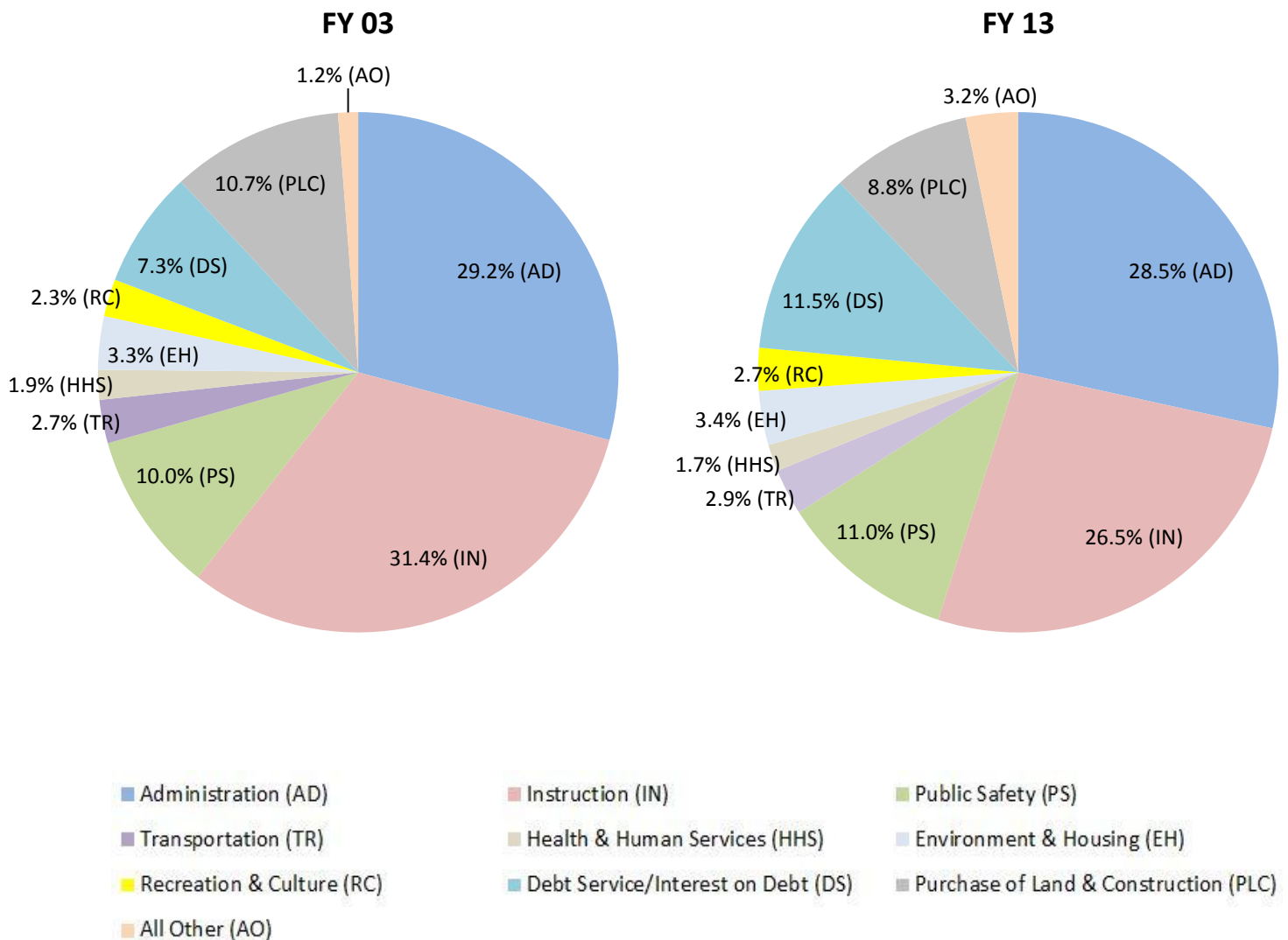
Sources of Property Tax Revenue	Percent Change	Dollar Change	Percent Change	Dollar Change
	FY 2008 to FY 2013	FY 2008 to FY 2013	FY 2003 to FY 2013	FY 2003 to FY 2013
Owner Occupied	64.3%	\$381,272,608	65.7%	\$386,008,786
Agricultural (Private)	13.1%	\$3,577,788	39.2%	\$8,685,157
Agricultural (Corporate)	13.8%	\$760,516	9.9%	\$564,208
Commercial/Rental	20.8%	\$361,924,534	103.0%	\$1,068,606,075
Personal Property (Vehicles)	0.8%	\$3,734,235	(3.7%)	(\$19,384,162)
Other Personal Property	(2.2%)	(\$1,690,253)	57.2%	\$27,958,540
Manufacturing	(9.1%)	(\$25,926,729)	(17.5%)	(\$55,318,318)
Utility	16.8%	\$64,985,252	35.6%	\$118,762,207
Business Personal	(0.2%)	(\$354,546)	21.5%	\$33,707,502
Motor Carrier	(19.9%)	(\$3,446,823)	(3.6%)	(\$519,321)
Fee in Lieu & Joint Industrial Park	22.8%	\$48,916,142	71.7%	\$109,969,066
Total Property Tax Revenues	20.6%	\$833,752,725	52.6%	\$1,679,039,738

SECTION 3: SOURCES OF SPENDING

A. Local Government Spending

The following chart depicts the percentage of total local government spending accounted for by each major expenditure category in FY 2003 and FY 2013.

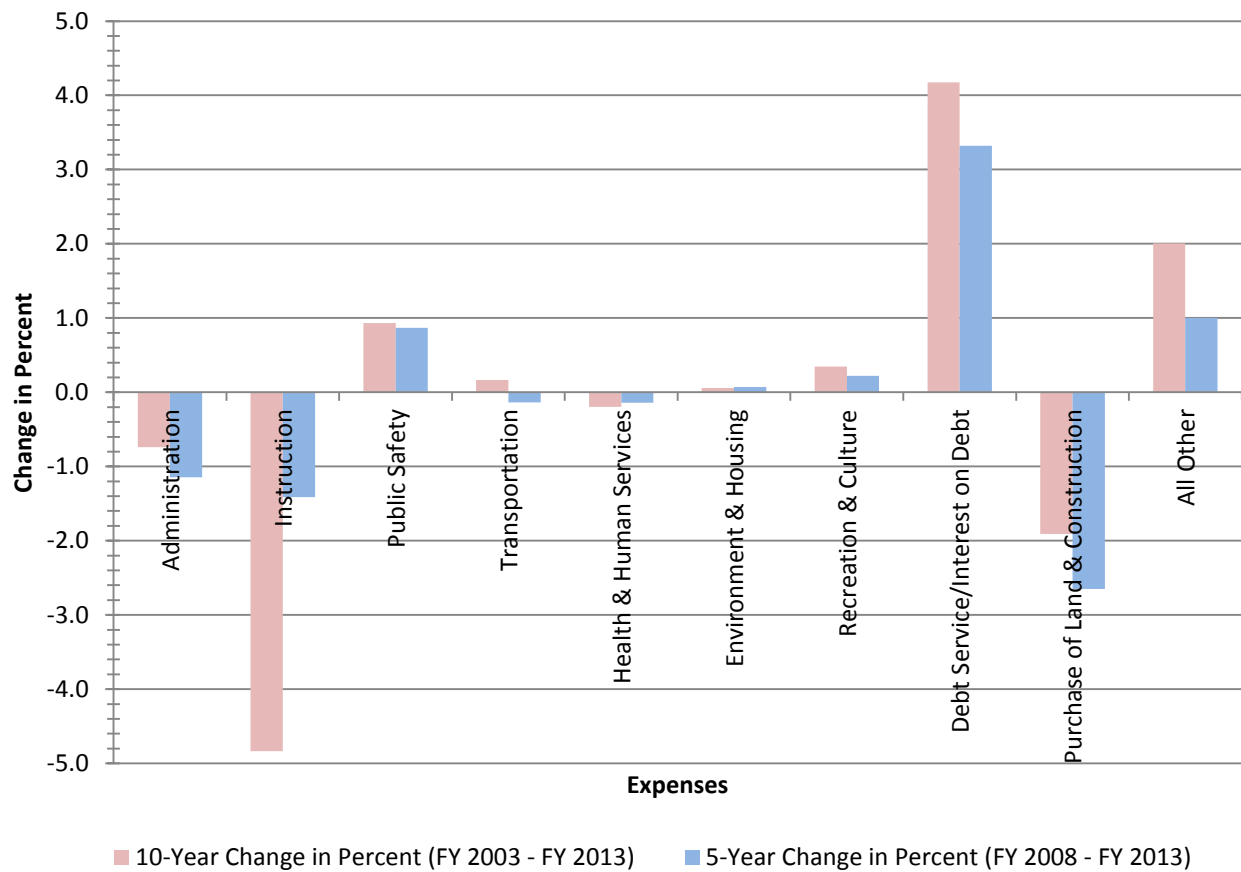
**Local Government Spending
Percentage of Total Spending**



In FY 2003, 31.4% of spending went to instruction and 29.2% to administration. In FY 2013, 26.5% of spending went to instruction and 28.5% to administration. Combined, their share decreased 5.6 percentage points from FY 2003 to FY 2013. Purchase of land and construction expenditures decreased by 1.9 percentage points in the ten-year period. Debt service spending increased by 4.2 percentage points from FY 2003 to FY 2013.

The following chart depicts the shift in the percentage of local government spending derived from each major expense from FY 2003 to FY 2013 and from FY 2008 to FY 2013. The chart shows how the distribution among the expense categories has changed over the ten-year and five-year periods. The total changes for all categories will sum to zero.

**Local Government Spending
Change in the Distribution of Funding
FY 2003 to FY 2013 and FY 2008 to FY 2013**



The table below depicts the percent change and dollar change of each local government expense for the five-year period from FY 2008 to FY 2013 and the ten-year period from FY 2003 to FY 2013.

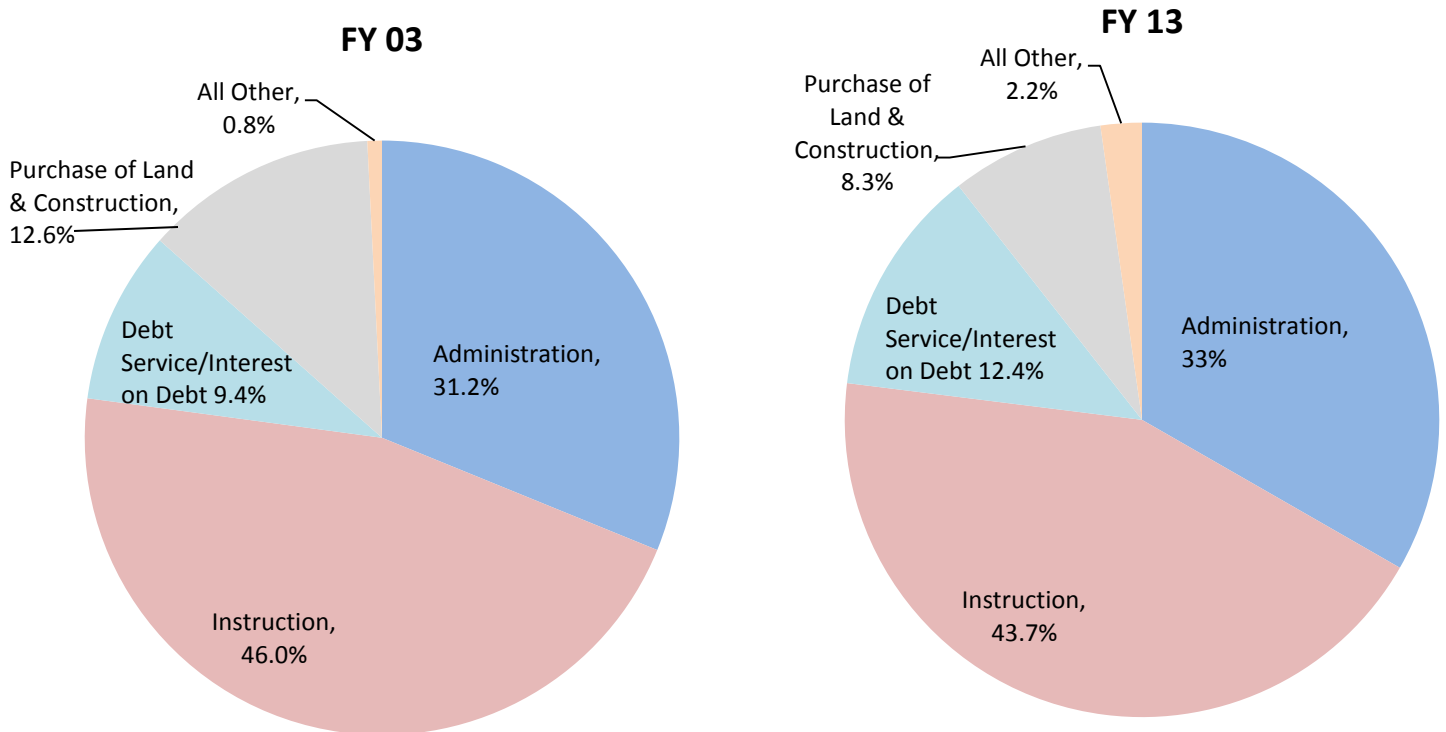
**Local Government Spending
Percent Change and Dollar Change
FY 2008 to 2013 and FY 2003 to 2013**

Expenses	Percent Change	Dollar Change	Percent Change	Dollar Change
	FY 2008 to FY 2013	FY 2008 to FY 2013	FY 2003 to FY 2013	FY 2003 to FY 2013
Administration	6.2%	\$245,599,470	54.6%	\$1,489,996,483
Instruction	4.9%	\$182,649,272	34.1%	\$1,001,450,170
Public Safety	20.0%	\$270,667,511	73.3%	\$687,902,421
Transportation	5.5%	\$22,077,430	68.3%	\$172,535,738
Health & Human Services	1.8%	\$4,319,988	41.9%	\$72,620,395
Environment & Housing	12.8%	\$56,629,214	61.3%	\$190,127,369
Recreation & Culture	20.6%	\$67,243,963	82.4%	\$178,182,819
Debt Service/Interest on Debt	55.4%	\$606,894,043	149.3%	\$1,019,023,704
Purchase of Land & Construction	(15.2%)	(\$232,599,116)	30.2%	\$301,592,478
All Other	59.6%	\$179,852,984	315.2%	\$365,734,473
Total Expenses	10.5%	\$1,403,334,759	58.6%	\$5,479,166,050

B. School District Spending

The following chart depicts the percentage of total school district spending accounted for by each major expenditure category in FY 2003 and FY 2013. The “all other” category includes health & human services, recreation & culture, and other.

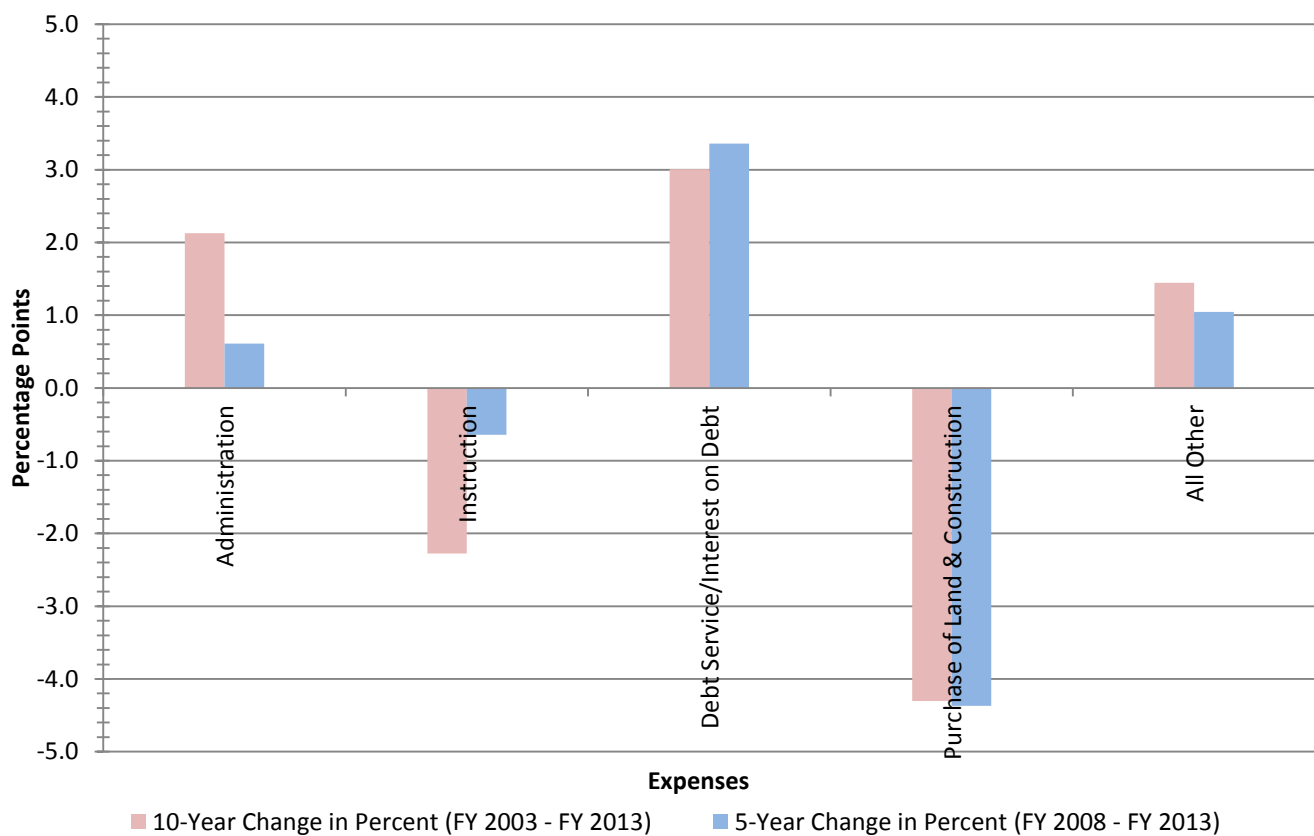
**School District Spending
Percentage of Total Spending**



Instruction, nearly half of total school district expenditures, declined by 2.3 percentage points from FY 2003 to FY 2013. Spending by the school districts to repair and replace aging schools, and for new construction, decreased by 4.3 percentage points in the ten-year period. Debt service spending increased by 3.0 percentage points from FY 2003 to FY 2013. Administration expenses increased by 2.1 percentage points in the ten-year period.

The following chart depicts the shift in the percentage of school district spending derived from each major expense from FY 2003 to FY 2013 and from FY 2008 to FY 2013. The chart shows how the distribution among the expense categories has changed over the ten-year and five-year periods. The total changes for all categories will sum to zero.

School District Spending
Change in the Distribution of Funding
FY 2003 to FY 2013 and FY 2008 to FY 2013



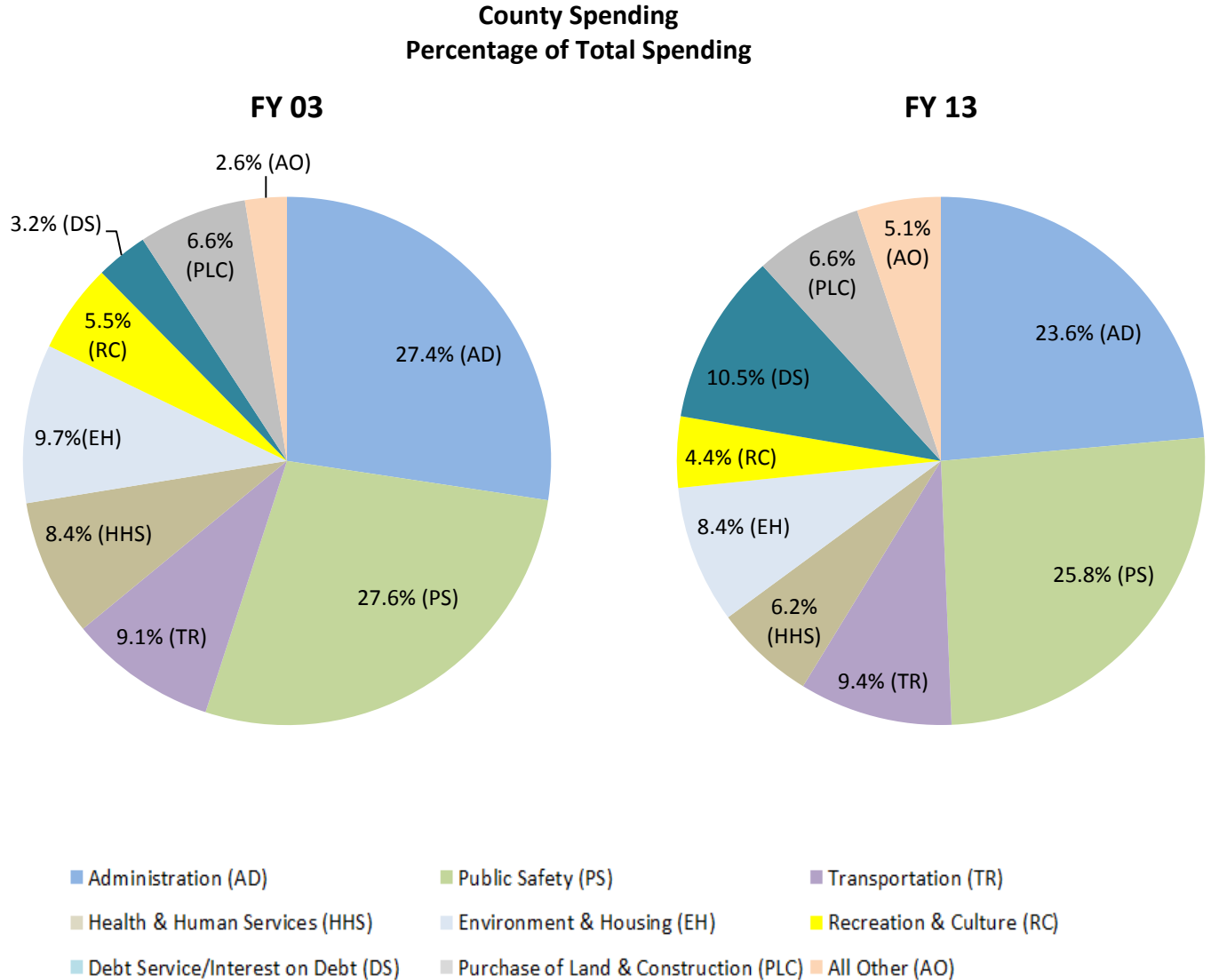
The table below depicts the percent change and dollar change of each school district expense for the five-year period from FY 2008 to FY 2013 and the ten-year period from FY 2003 to FY 2013. The “All Other” category includes health & human services, recreation & culture, and other.

School District Spending
Percent Change and Dollar Change
FY 2008 to 2013 and FY 2003 to 2013

Expenses	Percent Change	Dollar Change	Percent Change	Dollar Change
	FY 2008 to FY 2013	FY 2008 to FY 2013	FY 2003 to FY 2013	FY 2003 to FY 2013
Administration	8.4%	\$232,229,234	50.8%	\$1,009,325,943
Instruction	4.9%	\$182,649,272	34.1%	\$1,001,450,170
Debt Service/Interest on Debt	45.8%	\$352,012,370	86.1%	\$518,486,760
Purchase of Land & Construction	(30.2%)	(\$324,451,989)	(6.9%)	(\$55,532,138)
All Other	99.9%	\$100,651,645	299.3%	\$150,947,169
Total Expenses	6.4%	\$543,090,532	41.1%	\$2,624,677,904

C. County Spending

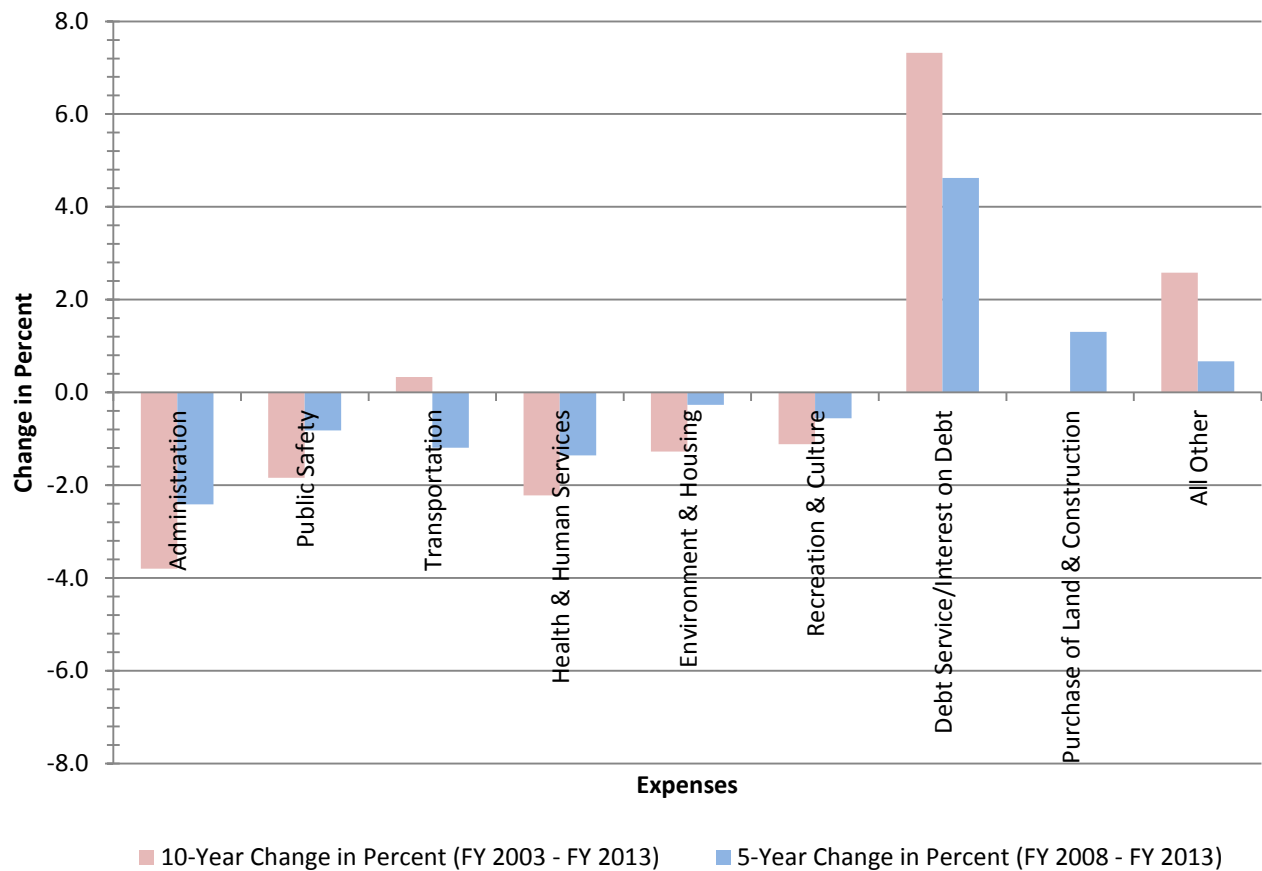
The following chart depicts the percentage of total county spending accounted for by each major expenditure category in FY 2003 and FY 2013.



Administration and public safety expenses represented half of county spending in FY 2003 and FY 2013. Administration, 27.4% of expenses in FY 2003, decreased by 3.8 percentage points in FY 2013. Public safety expenses declined by 1.8 percentage points in the ten-year period. Debt service expenses, however, rose by 7.3 percentage points from FY 2003 to FY 2013.

The following chart depicts the shift in the percentage of county spending derived from each major expense from FY 2003 to FY 2013 and from FY 2008 to FY 2013. The chart shows how the distribution among the expense categories has changed over the ten-year and five-year periods. The total changes for all categories will sum to zero.

County Spending
Change in the Distribution of Funding
FY 2003 to FY 2013 and FY 2008 to FY 2013



The table below depicts the percent change and dollar change of each county expense for the five-year period from FY 2008 to FY 2013 and the ten-year period from FY 2003 to FY 2013.

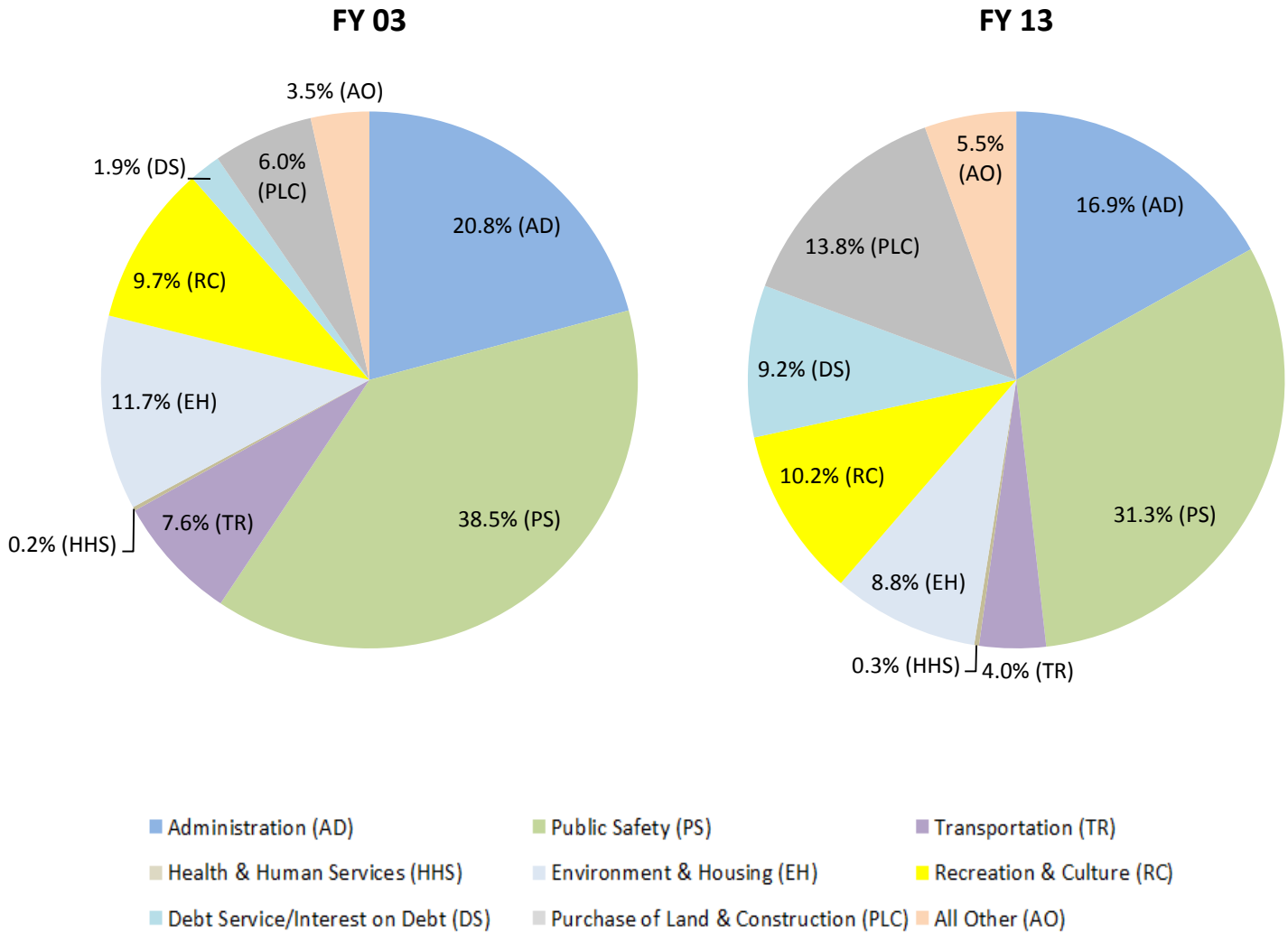
County Spending
Percent Change and Dollar Change
FY 2008 to 2013 and FY 2003 to 2013

Expenses	Percent Change	Dollar Change	Percent Change	Dollar Change
	FY 2008 to FY 2013	FY 2008 to FY 2013	FY 2003 to FY 2013	FY 2003 to FY 2013
Administration	10.2%	\$77,790,227	62.9%	\$324,727,559
Public Safety	17.7%	\$138,503,965	76.5%	\$398,605,708
Transportation	7.8%	\$24,276,647	96.1%	\$164,027,618
Health & Human Services	(0.4%)	(\$974,455)	39.1%	\$61,895,472
Environment & Housing	17.8%	\$45,429,121	64.3%	\$117,921,385
Recreation & Culture	7.7%	\$11,064,354	50.5%	\$52,096,157
Debt Service/Interest on Debt	117.0%	\$201,926,119	524.8%	\$314,622,619
Purchase of Land & Construction	51.1%	\$80,160,994	89.3%	\$111,797,795
All Other	39.8%	\$52,221,617	280.5%	\$135,159,389
Total Expenses	21.5%	\$630,398,589	89.1%	\$1,680,853,702

D. Municipal Spending

The following chart depicts the percentage of total municipal spending accounted for by each major expenditure category in FY 2003 and FY 2013.

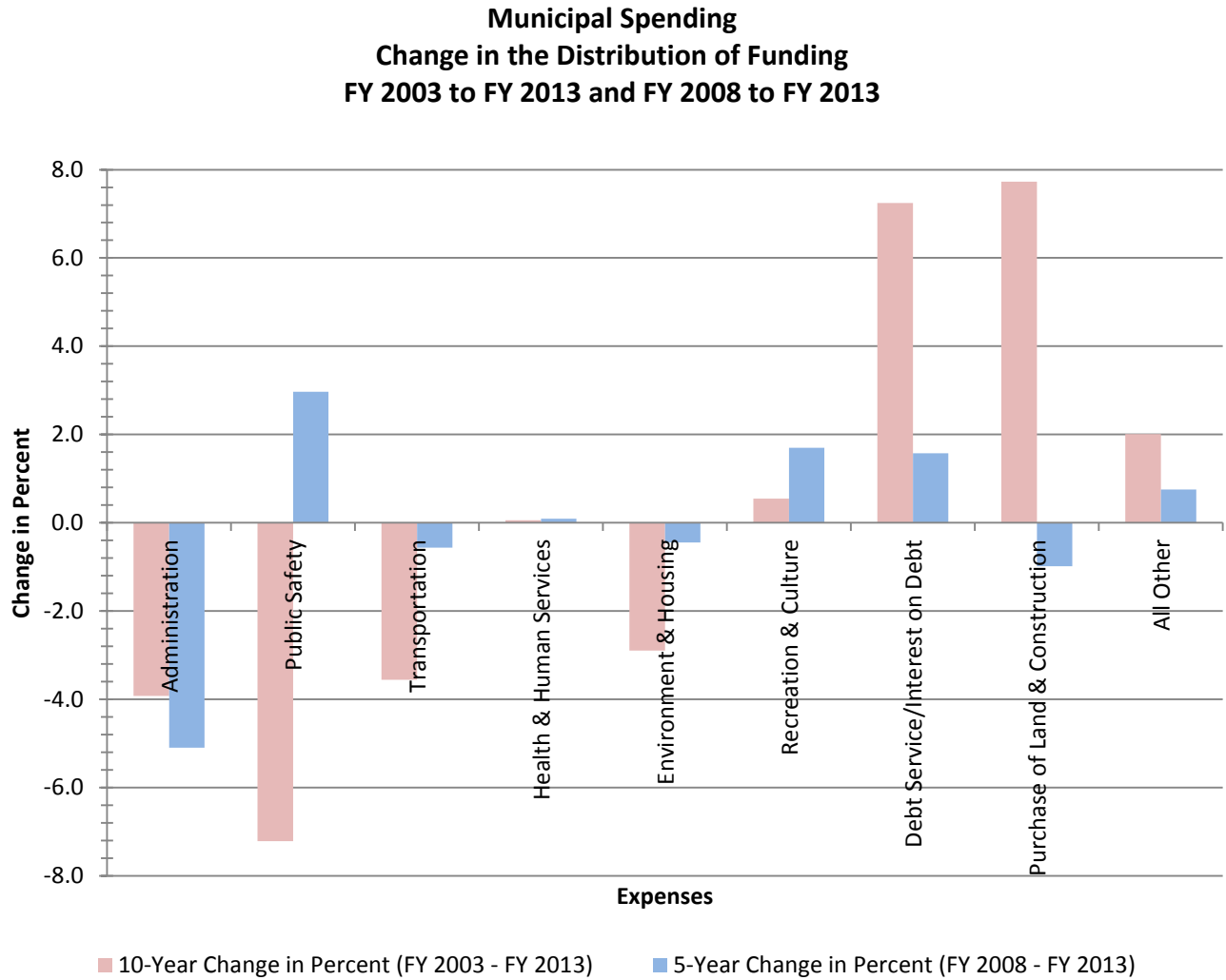
**Municipal Spending
Percentage of Total Spending**



Public safety, a large expense for municipalities, decreased by 7.2 percentage points from FY 2003 to FY 2013. Debt service expenses rose 7.3 percentage points from FY 2003 to FY 2013. Spending on land acquisition and construction also increased in the ten-year period. From FY 2003 to FY 2013, its share increased by 7.8 percentage points.

*Municipalities included above may vary by year.

The following chart depicts the shift in the percentage of municipal spending derived from each major expense from FY 2003 to FY 2013 and from FY 2008 to FY 2013. The chart shows how the distribution among the expense categories has changed over the ten-year and five-year periods. The total changes for all categories will sum to zero.



*Municipalities included above may vary by year.

The table below depicts the percent change and dollar change of each municipal expense for the five-year period from FY 2008 to FY 2013 and the ten-year period from FY 2003 to FY 2013.

**Municipal Spending
Percent Change and Dollar Change
FY 2008 to 2013 and FY 2003 to 2013**

Expenses	Percent Change	Dollar Change	Percent Change	Dollar Change
	FY 2008 to FY 2013	FY 2008 to FY 2013	FY 2003 to FY 2013	FY 2003 to FY 2013
Administration	(14.4%)	(\$64,419,991)	69.1%	\$155,942,981
Public Safety	23.0%	\$132,163,546	69.3%	\$289,296,713
Transportation	(2.4%)	(\$2,199,217)	10.4%	\$8,508,120
Health & Human Service	63.7%	\$2,499,997	162.0%	\$3,973,590
Environment & Housing	6.0%	\$11,200,093	56.9%	\$72,205,984
Recreation & Culture	33.6%	\$58,008,012	120.1%	\$125,894,878
Debt Service/Interest on Debt	34.5%	\$52,955,554	900.6%	\$185,914,325
Purchase of Land & Construction	3.9%	\$11,691,879	374.6%	\$245,326,821
All Other	28.9%	\$27,945,765	227.1%	\$86,571,032
Total Expenses	11.3%	\$229,845,637	108.3%	\$1,173,634,444

*Municipalities included above may vary by year.